



BOSTON & MAINE CORPORATION  
MAINE CENTRAL RAILROAD COMPANY  
SPRINGFIELD TERMINAL RAILWAY COMPANY

RECORDATION NO. 21302 FILED

IRON HORSE PARK  
NO. BILLERICA, MASS. 01862

MAR 31 '98

3-06 PM

LAW DEPARTMENT  
(978) 663-1029

March 31, 1998

Vernon A. Williams, Secretary  
Surface Transportation Board  
1945 K Street, N.W.  
Washington, D.C. 20423

Re: Recordation of Commercial Security Agreement

Dear Secretary Williams:

I have enclosed an original and one counterpart (with original signatures) of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code. As an attorney for and officer of Guilford Transportation Industries, Inc., Boston and Maine Corporation, Maine Central Railroad Company and Springfield Terminal Railway Company, parties to the transaction described herein, I have knowledge of the matters set forth in this letter.

The document is a COMMERCIAL SECURITY AGREEMENT, a primary document, dated April 1, 1998.

The names and addresses of the parties to the document are as follows:

Secured Party: Brown Brothers Harriman & Co.  
40 Water Street  
Boston, MA 02109  
(lender)

Securing Parties: Maine Central Railroad Company  
Boston and Maine Corporation  
Springfield Terminal Railway Company  
Iron Horse Park  
N. Billerica, MA 01862  
(principal debtors)

*Counterpart - Angela Moore*

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Guilford Transportation Industries, Inc.  
402 Amherst Street Suite 300  
Nashua, NH 03063  
(principal debtor)

A description of the equipment covered by the document follows:

Diesel Electric Locomotives:

17 Model GP-35 -- Road Nos. 201 - 217  
1 Model GP-38 -- Road No. 252  
43 Model GP-40 -- Road Nos. 300 - 381  
17 Model GP-40 -- Road Nos. 300 - 381  
5 Model SD-26 -- Road Nos. 615 - 643  
3 Model SD-39 -- Road Nos. 690 - 693  
2 Model SD-45 -- Road Nos. 681 and 689  
4 Model UB18-B -- Road Nos. 402 - 407

Freight Cars:

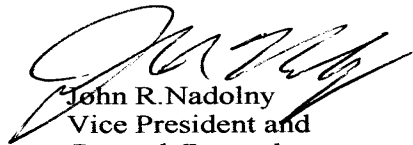
286 70 Ton Boxcars -- BM3200 - BM3249, BM3300 - BM3399,  
BM3500 - BM3539, BM79000 - BM79049  
265 70 Ton Boxcars -- MeC27100 - MeC27119, MeC28000 - MeC28004,  
MeC28100 - MeC28119, MeC29000 - MeC29229  
99 100 Ton Gondolas -- BM9000 - BM9099  
75 100 Ton Gondolas -- MeC1100 - MeC1174  
61 100 Ton Hoppers -- BM1001 - BM1198  
40 70 Ton Hoppers -- BM1252 - BM1364

A check to cover the filing fee of \$26.00 is enclosed. Please return one original and any extra copies not needed by the Board for recordation to: John R. Nadolny, Esq. Law Department, Boston and Maine Corporation, Iron Horse Park, N. Billerica, MA 01862.

A short summary of the document to appear in the index follows:

Agreement between Guilford Transportation Industries, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Springfield Terminal Railway Company (owners of the equipment and grantors of the security interest) and Brown Brothers Harriman & Co. (the secured party) dated April 1, 1998 granting to Brown Brothers Harriman & Co. a security interest in 92 locomotives and 826 freight cars as identified on Schedule A thereto.

Sincerely,



John R. Nadolny  
Vice President and  
General Counsel

enc.

MAR 31 '98

3-06 PM

COMMERCIAL SECURITY AGREEMENT

This Commercial Security Agreement dated April 1, 1998 is among Guilford Transportation Industries, Inc. ("GTI"), a Delaware corporation having a principal place of business at 402 Amherst Street, Suite 300, Nashua, New Hampshire 03063; Boston and Maine Corporation ("B&M"), a Delaware corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; Maine Central Railroad Company ("MCRC"), a Maine corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; Springfield Terminal Railway Company ("STRC"), a Vermont corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; and Brown Brothers Harriman & Co., (the "Secured Party"), a New York Partnership corporation having an address of 40 Water Street, Boston, Massachusetts 02109. GTI, B&M, MCRC and STRC are collectively referred to herein as the "Debtors". B&M, MCRC and STRC are wholly-owned subsidiaries of GTI. (2)

Under a certain Revolving Credit Agreement (the "Revolving Credit Agreement") of even date herewith among the Secured Party and the Debtors, the Secured Party is extending credit to Debtors in the form of a \$5,000,000 line of credit. Under a certain loan agreement of even date herewith among Bank of New Hampshire (the "Bank") and the Debtors, the Bank is extending credit to the Debtors in the form of a term loan in the original principal amount of \$25,000,000.00 (the "Term Loan").

In order to secure all of the obligations of the Debtors to the Secured Party, the Debtors are granting a security interest under this agreement in certain of the Debtors' property. Accordingly, the parties agree as follows:

1. Creation of Security Interest. In order to secure the payment, performance or observance of the Obligations (as defined in section 2 below), each of the Debtors hereby grants to the Secured Party a continuing security interest in the following property of the Debtors wherever located and whether now owned or existing or hereafter acquired, and in all additions and accessions thereto or substitutions or replacements therefor, and in all products and proceeds (including insurance proceeds) thereof (collectively, the "Collateral"):

(a) All railroad cars, locomotives, and other rolling stock, and accessories used on such railroad cars, locomotives, and other rolling stock (including superstructures and racks), including more particularly described in Schedule A attached hereto (collectively, the "Rolling Stock"); and

(b) All accounts and accounts receivable now existing or hereafter arising for payment of services including the transportation of goods (except for accounts with respect to which the account debtor is a non-Borrower railroad and accounts with respect to which the account debtor is a governmental entity and are for services other than the transportation of goods), whether owned now or acquired later; all accessions, additions,

replacements and substitutions therefor; all records of any kind relating to the foregoing; and all proceeds thereof (including insurance, general intangibles and other accounts proceeds) (collectively, the "Accounts").

2. Obligations. "Obligations" means any and all liabilities and obligations of each Debtor to the Secured Party of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising or acquired, sole, joint or several, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any instrument, and includes obligations to perform acts and refrain from taking action as well as obligations to pay money. Obligations includes, without limitation, "Obligations" as defined in the Revolving Credit Agreement.

3. Representations, Warranties and Covenants of the Debtor. The Debtors jointly and severally represent, warrant and covenant as follows:

3.1 Title. Each Debtor is, or at the time of the acquisition thereof will be, the lawful owner of the Collateral in which it is purporting to grant a security interest hereunder, and has the full right and authority to grant the security interests in the Collateral as provided for hereunder, and the security interest granted to the Secured Party in the Collateral shall constitute a valid and binding first priority lien enforceable in accordance with its terms, subject only to the security interest granted to the Bank under the security agreement of even date herewith between the Bank and the Debtors in connection with the Term Loan.

3.2 No Transfer. No Debtor will sell, transfer or dispose of the Collateral or any interest therein without the prior written consent of the Secured Party.

3.3 Liens. Except for the lien permitted under Subsection 3.1 above, there are no adverse liens, encumbrances or security interests in or on the Collateral and the Collateral shall continue to be free from all liens, encumbrances and security interests or other claims in favor of others, and each Debtor will warrant and defend the Collateral and the Secured Party's security interest therein as a first lien from all claims and demands of all persons. No financing statement or other recording covering the Collateral is on file in any public office except those (i) relating to the security interests created hereunder or referred to in Subsection 3.1 above, (ii) relating to obligations which have been fully discharged or (iii) which are no longer effective because they have not been continued in timely fashion.

3.4 Taxes. Each Debtor will pay or cause to be paid promptly when due all taxes, assessments or other governmental charges on or with respect to the Collateral.

3.5 Offices. Each Debtor's chief executive office and the office at which its records concerning its Accounts are kept is shown on Schedule B attached hereto. Each Debtor agrees promptly to notify the Secured Party in writing of any change in the location of its chief executive office, the office where its Account records are kept and of any change in its name, identity or corporate structure.

3.6 Names. The exact legal name of each Debtor is as shown on Schedule B,

and all trade names used by each Debtor in the last ten years is listed on Schedule B. Schedule B also includes the legal names of persons or entities with whom any of the Debtors has merged or from whom any Debtor purchased substantially all of such persons or entity's assets, in each case within the last ten years.

3.7 Location of Locomotives. The locomotives described in Schedule A are and shall be used in the Debtors' businesses on or in connection with the Guilford Rail System and shall not be used on or in connection with any other rail system other than in connection with the run-through power arrangement without the prior written consent of the Secured Party. The locomotives described in Schedule A are and shall be used in connection with the national rail system and shall not be removed therefrom without the prior written consent of the Secured Party.

3.8 Maintenance and Use. Each Debtor will, at its own cost and expense, maintain the Rolling Stock in good repair and condition and will keep, maintain and use the Rolling Stock in accordance with all applicable laws, rules and regulations (governmental or otherwise).

3.9 Insurance. Each Debtor will cause the Rolling Stock to be insured at all times as provided in the Revolving Credit Agreement and such insurance shall be payable first, in case of loss, to the Secured Party as its interest appears, subject to the rights of prior liens, if any, referred to in Subsection 3.3. The security interest granted to the Secured Party shall extend to the proceeds of such insurance. All policies of insurance shall contain a provision forbidding cancellation until at least fifteen days written notice is given to the Secured Party.

3.10 Secured Party's Rights to Protect Collateral. In the event that any Debtor has not done so in accordance with this agreement, the Secured Party may, at its option, discharge liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. The Debtors agree to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization. Until default, the Debtors may have possession of the Collateral and use it in any lawful manner not inconsistent with this Security Agreement, the Revolving Credit Agreement and the other Loan Documents (as defined in the Revolving Credit Agreement) and not inconsistent with any policy of insurance thereof.

3.11 Notice to Account Debtors on Default. After a default hereunder, the Secured Party may notify any or all Account debtors of the Debtors that the Collateral has been assigned to the Secured Party and that payments shall be made directly to the Secured Party. Upon request of the Secured Party after a default hereunder, the Debtors will also notify such Account debtors and will indicate in all billings to such Account debtors that their accounts must be paid to the Secured Party. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral, and to obtain, adjust, settle and cancel any insurance on the Collateral, in its own name or in the name of the Debtors. Each of the Debtors

hereby irrevocably appoints the Secured Party as such Debtor's true and lawful attorney, with full power of substitution: to endorse the name of such Debtor upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party; to sign and endorse in the name of such Debtor on any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and any instrument or document relating thereto or to such Debtor's rights therein; and to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to such Debtor may be delivered directly to the Secured Party.

3.12 Federal Accounts. If any Account arises out of a contract with the federal government, the Debtors will so notify the Secured Party, will specifically assign such contract to the Secured Party and will cooperate with the Secured Party to give notice of such assignment under the Assignment of Claims Act.

3.13 Legends on Instruments. At the request of the Secured Party from time to time, the Debtors shall cause any instrument, chattel paper or document of title included in the Collateral to be delivered to the Secured Party or any agent or representative designated by it, or shall cause a legend referring to the security interest of the Secured Party to be placed on such instruments, chattel paper or documents of title and upon any ledgers or other records concerning the Collateral.

3.14 Action to Perfect. The Debtors shall execute, deliver, and file or record in public offices at their expense all instruments and documents and shall otherwise take such action or cause such action to be taken, as the Secured Party may reasonably deem necessary or appropriate to perfect or to more fully assure the rights and interests intended to be transferred and granted to the Secured Party.

3.15 Inspection. The Debtors will at all reasonable times and from time to time allow the Secured Party or its agents to examine and inspect and make extracts from the Debtors' books and other records, to arrange for verification of the Accounts, under reasonable procedures, directly with account debtors or by other methods, and to inspect and arrange for verification of any other Collateral.

3.16 Reimbursement. The Debtors will reimburse the Secured Party for all costs and expenses including reasonable attorneys' fees in enforcing the Secured Party's rights hereunder.

4. Default. The Debtors shall be in default hereunder if an Event of Default (as defined in the Revolving Credit Agreement) has occurred.

5. Secured Party's Remedies Upon Default. Upon any default hereunder and at any time thereafter the Secured Party shall have the rights and remedies of a Secured Party under

the Uniform Commercial Code and all other applicable law in addition to the rights and remedies provided in this agreement, the Loan Documents (as defined in the Revolving Credit Agreement) or any other instrument or document furnished in connection therewith. The Secured Party may require the Debtors to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Whenever notification with respect to the sale or other disposition of the Collateral is required by law, such notification of the time and place of public sale, or the date after which a private sale or any other intended disposition is to be made, shall be deemed reasonable if mailed, postage prepaid, to the affected Debtor at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Secured Party's reasonable attorneys' fees and legal expenses. Nothing in this Section 5 shall limit any rights and remedies available hereunder or at law to the Secured Party upon the occurrence of any default, all of which rights and remedies are to be treated as cumulative and not exclusive, and the Secured Party may upon any default exercise any or all of such rights and remedies in such order and at such times as the Secured Party may elect.

6. Setoff. In order to secure the payment and performance of the Obligations, each Debtor grants to the Secured Party a security interest in and a right of setoff with respect to any and all deposits or other sums at any time or times credited by or due from such Debtor and with respect to all securities or other property in its possession at any time or times. The Secured Party may at any time after any default hereunder, without any demand or notice, except to such extent as notice may be required by applicable law and regardless of the adequacy of any collateral, (i) apply or setoff such deposits or other sums and (ii) sell or dispose of any or all of such securities or other property pursuant to the rights and remedies accorded secured parties under the Uniform Commercial Code.

7. Termination. At such time as all Obligations have been paid, performed and discharged in full and so long as the Secured Party has no obligation of any kind at such time to make any advance to any Debtor under the Revolving Credit Agreement (or any other agreement) and the Revolving Credit under the Revolving Credit Agreement has been terminated, the Secured Party shall, upon written request from the Debtors, execute and deliver an appropriate discharge of the security interest granted hereunder.

8. Intercreditor Agreement. Notwithstanding any provision of this agreement to the contrary, the rights and remedies of the Secured Party hereunder shall be subject to the terms of a certain Intercreditor Agreement by and between Secured Party and the Bank of near or even date herewith.

9. Miscellaneous.

9.1 Notices. All notices to and any demand upon any Debtor shall be in writing and shall be deemed sufficiently given if given as provided in the Revolving Credit Agreement or deposited in the mail (certified mail, return receipt requested) addressed to such Debtor at the following address or at such other address as the Debtor may hereafter establish

by written notice received by the Secured Party:

c/o Boston and Maine Corporation  
Iron Horse Park  
North Billerica, Massachusetts 01862  
Attn.: Michael A. Holmes, Vice President-Finance

9.2 No Waiver. No delay or failure on the part of the Secured Party in exercising any right, power or privilege under this agreement or under any document or instrument furnished in connection herewith shall impair any such right, power or privilege or be construed as a waiver of any default or consent to any action by any Debtor. No single or partial exercise of any such right, power or privilege shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver shall be valid against the Secured Party unless made in writing.

9.3 Successors and Assigns. All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of each Debtor hereunder shall bind its successors and assigns. This agreement may be assigned by the Secured Party at any time, but may not be assigned by any Debtor.

9.4 Amendments. This agreement may not be amended or modified except in a writing signed by the parties to be bound.

9.5 Captions. The captions of this agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

9.6 Counterparts. This agreement may be executed in several counterparts, each of which shall be deemed an original.

9.7 Governing Law. This agreement and all documents and instruments furnished in connection herewith shall be governed by and interpreted in accordance with the laws of New Hampshire.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

SECURED PARTY:

*per pro* BROWN BROTHERS HARRIMAN & CO.

Michael Holmes  
Witness

Jared S. Keyes  
Name: Jared S. Keyes  
Title: Manager

DEBTORS:  
GUILFORD TRANSPORTATION  
INDUSTRIES, INC.

M.A. Holmes  
Witness

David A. Fink  
Name: David A. Fink  
Title: President

BOSTON AND MAINE CORPORATION

M.A. Holmes  
Witness

David A. Fink  
Name: David A. Fink  
Title: President

MAINE CENTRAL RAILROAD COMPANY

M.A. Holmes  
Witness

David A. Fink  
Name: David A. Fink  
Title: President

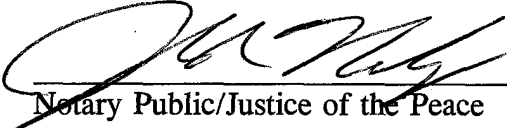
SPRINGFIELD TERMINAL  
RAILWAY COMPANY

M.A. Holmes  
Witness

David A. Fink  
Name: David A. Fink  
Title: President


COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 27<sup>TH</sup> day of March, 1998, by JARED S. KEYES, the MANAGER of Brown Brothers Harriman & Co., who acknowledged the foregoing as his/her free act and deed and the free act and deed of Brown Brothers Harriman & Co.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 6, 2001


COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 27<sup>TH</sup> day of March, 1998, by David A. Fink, the President of Guilford Transportation Industries, Inc., who acknowledged the foregoing as his free act and deed and the free act and deed of Guilford Transportation Industries, Inc.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 6, 2001


COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 27<sup>TH</sup> day of March, 1998, by David A. Fink, the President of Boston and Maine Corporation, who acknowledged the foregoing as his free act and deed and the free act and deed of Boston and Maine Corporation.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 6, 2001

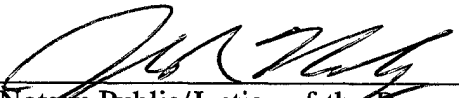
COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of March, 1998, by David A. Fink, the President of Maine Central Railroad Company, who acknowledged the foregoing as his free act and deed and the free act and deed of Maine Central Railroad Company.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 6, 2001

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of March, 1998, by David A. Fink, the President of Springfield Terminal Railway Company, who acknowledged the foregoing as his free act and deed and the free act and deed of Springfield Terminal Railway Company.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 6, 2001

## SCHEDULE A

### Description of Rolling Stock

#### LOCOMOTIVES

<u>Qty.</u>	<u>Model</u>	<u>Mfr.</u>	<u>Yr. Built</u>	<u>HP</u>	<u>Type</u>	<u>Road #</u>	<u>Owner</u>
17	GP-35	EMD	1963-6	2,500	DC	201-217	STRC
1	GP-38	EMD	1966	2,000	DC	252	B&M
43	GP-40	EMD	1967-6	3,000	DC	300-381	MCRC
17	GP-40	EMD	1967-6	3,000	DC	300-381	B&M
5	SD-26	EMD	1959	2,625	DC	615-643	STRC
3	SD-39	EMD	1969	2,300	DC	690-693	B&M
2	SD-45	EMD	1967-7	3,600	DC	681+689	STRC
4	U18-B	GE	1975	1,800	DC	402-407	MCRC

92 TOTAL LOCOMOTIVES

#### FREIGHT CARS

<u>Qty.</u>	<u>Style</u>	<u>Tons</u>	<u>Yr. Built</u>	<u>Type</u>	<u>Series</u>	<u>Owner</u>
98	Box Car	70 ton	1979	Cushioned	BM 3200 - 3249	B&M
50	Box Car	70 ton	1979	Cushioned	BM 3300 - 3349	B&M
49	Box Car	70 ton	1979	Cushioned	BM 3350 - 3399	B&M
40	Box Car	70 ton	1974	Cushioned	BM 3500 - 3539	B&M
49	Box Car	70 ton	1979	Rigid	BM 79000 - 79049	B&M
20	Box Car	70 ton	1970	Cushioned	MeC 27100 - 27119	MCRC
4	Box Car	70 ton	1967	Cushioned	MeC 28000 - 28004	MCRC
20	Box Car	70 ton	1964	Cushioned	MeC 28100 - 28119	MCRC
221	Box Car	70 ton	1970	Cushioned	MeC 29000 - 29229	MCRC
99	Gondola	100 ton	1976	2244 Cu Ft	BM 9000 - 9099	B&M
75	Gondola	100 ton	1975	2244 Cu Ft	MeC 1100 - 1174	MCRC
61	Hopper	100 ton	1967	3023 Cu Ft	BM 1001 - 1198	B&M
40	Hopper	70 ton	1968	1844 Cu Ft	BM 1252 - 1364	B&M

826 TOTAL FREIGHT CARS

## SCHEDULE B

<u>Legal Name of Debtor and All Trade Names Used</u>	<u>Chief Executive Office and Office(s) Where Records are Kept (if different)</u>	<u>Entities With Whom Debtor Has Merged/ Acquired All Assets</u>
A. Guilford Transportation Industries, Inc.	402 Amherst Street Suite 300 Nashua, NH 03063	None
B. Boston and Maine Corporation	Iron Horse Park North Billerica, MA 01862	None
C. Maine Central Railroad Company	Iron Horse Park North Billerica, MA 01862	None
D. Springfield Terminal Railway Company	Iron Horse Park North Billerica, MA 01862	None